



COOPERATIVE CROP REPORTING SERVICE

QUESTIONS PERTINENT TO THIS ISSUE

1. WHAT FARM OPERATIONS ARE PERFORMED CHIEFLY WITH TRACTOR MACHINES?
2. WHAT FARM OPERATION SHOWED THE MOST INCREASE IN USE OF TRACTORS? FROM 1939 TO 1946?
3. HOW DO PRICES RECEIVED IN AUGUST COMPARE WITH PREVIOUS REPORTS?
4. WERE PRICES PAID FOR MOST FEEDS UP OR DOWN IN AUGUST?
5. DID PRICES FARMERS PAY FOR NECESSITIES INCREASE IN AUGUST?
6. WHAT IS MEANT BY PARITY PRICES?
7. HOW DOES THE INDICATED 1948 TURKEY CROP COMPARE WITH OTHER YEARS?
8. HAVE CATTLE NUMBERS INCREASED OR DECREASED?
9. HOW DO CHICK HATCHINGS COMPARE WITH 1947?

No. 21

Raleigh, N. C.

September 5, 1948.

SPECIAL ISSUE ON PRICES AND OTHER CURRENT ITEMS

TREND IN PRICES

North Carolina farmers received lower prices for most grain crops during August. Generally, grain prices have decreased each month since May. Prospective bumper grain crops for 1948 are largely responsible for the decrease in grain prices.

At the time grain prices were decreasing, prices received for meat animals were breaking all previous records. During August hogs and veal calves soared to all-time highs, while beef cattle and lambs remained unchanged from the all-time high reached a month earlier.

Prices farmers received for dairy products showed little or no change during the month ending August 15. Prices of milk and butterfat increased slightly, while butter remained unchanged.

The average price of cotton dropped 1 cent per pound during the month and cottonseed decreased 9 dollars per ton.

With the exception of tankage, prices farmers paid for feeds decreased during the month. Bran and middlings reflected the sharpest drop of all feeds.

Prices received for cotton, wheat, oats, barley, rye and eggs were below parity as of August 15, 1948.

WEATHER-CROPS SUMMARY

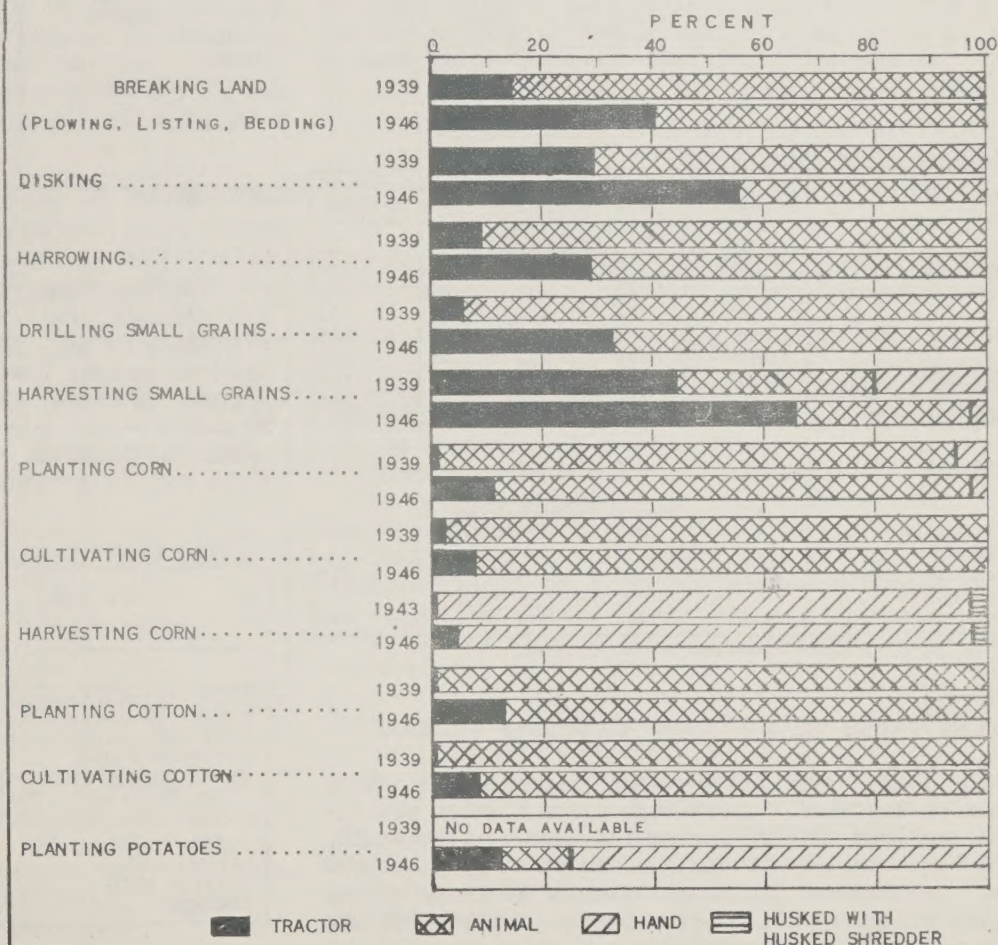
Light scattered rainfall during the past two weeks accompanied by high temperatures resulted in the development of dry soil conditions in many parts of the state. Recent high temperatures drew heavily on already scant reserves of soil moisture, especially so in the southern piedmont and southern coastal counties. Generally sufficient moisture has been available to keep most growing crops in good condition. The absence of rainfall during recent days favored the harvesting of current hay crops. Tobacco harvest is practically over in the border belt and in the southern half of the eastern belt. Harvesting of the burley crop is progressing rapidly. Cotton is opening rapidly with picking underway in the southern producing counties.

USE OF TRACTORS IN NORTH CAROLINA CROP PRODUCTION INCREASING

As shown in the chart below, tractor power is rapidly replacing animal power and hand methods in many phases of crop production in the State. A higher percentage of the heavy jobs, such as plowing, discing and harvesting small grains is being done by tractor power than is true of the lighter work like cultivating and planting of row crops.

In 1946 about 41 percent of the breaking of land and 55 percent of the discing was done with tractor equipment. In 1939 only 14 percent of the breaking of land and 28 percent of the discing was done with tractor equipment. About 65 percent of the 1946 small grain acreage was harvested with tractor machines, compared with 44 percent in 1939. The proportion of the small grain acreage harvested with animal-drawn machines only decreased 4 percent during this period, while the proportion of the acreage harvested with cradles (hand) dropped from 20 percent in 1939 to 3 percent in 1946. Animal-drawn equipment is still being used to plant and cultivate the major portion of the cotton and corn crops.

PROPORTION OF SPECIFIED FARM JOBS PERFORMED WITH TRACTOR MACHINES, ANIMAL-DRAWN MACHINES, AND BY HAND METHODS, NORTH CAROLINA, 1939 AND 1946





## AUGUST PRICES RECEIVED INDEX

The mid-August index of prices received for "all farm products" by North Carolina farmers was 265 percent of the 1909-14 base average. The index was 1 point above July and 3 points below the index of a year ago. Generally, lower prices were received for crops during August than a month earlier; however, these prices were partially offset by higher prices received for most meat animals.

Among individual indexes, that of meat animals at 418 established a new all-time record, 14 points above the previous high of 404 percent reached a month earlier. Considerably higher average prices received for hogs, veal calves, and sheep accounted largely for the sharp rise in the index.

Also, the poultry index rose sharply during the month, jumping from 262 in July to 282 in August. Prices received for both chickens and eggs made gains during the month.

Slight increases occurred in the indexes for dairy products and miscellaneous products compared with a month earlier. The August dairy products index at 237 was up 3 points while the miscellaneous products index at 237 was up 1 point. Slightly higher prices received for retail and wholesale milk and butterfat gave a light boost to the dairy products index.

For grains, the index has shown a noticeable downward trend during the past three months. At 204 percent, the August index was 7 points below July and had dropped 20 points since May. Heavy production of all grain crops in the primary producing areas of the country has resulted in declines in grain prices.

The August tobacco index which is based on prices received for Type 13 only was 496 percent, 83 points above the index of a year ago.

The August ratio of prices received by North Carolina farmers to prices paid by United States farmers was 106 percent, the same as in July and 9 percent lower than in August 1947.

NORTH CAROLINA AND UNITED STATES INDEX NUMBERS  
(N.C. PRICES RECEIVED 1909-14 = 100 PERCENT)

COMMODITY	JULY 15 1948	AUG 15 1948	AUG 15 1947	AUG 15 1946	AUG 15 1945
N. C. INDEX NUMBERS					
ALL FARM PRODUCTS.....	264**	265	268	256	193
COTTON & COTTONSEED...	271	260	274	259	174
GRAIN.....	211	204	223	215	157
MEAT ANIMALS.....	404	418	347	314	220
POULTRY.....	262**	282	273	252	247
DAIRY PRODUCTS.....	234	237	218	214	174
TOBACCO.....	-	496	413	523	409
MISCELLANEOUS.....	236	237	241	224	217
RATIO OF PRICES RECEIVED TO PAID*	106	106	115	127	112
U. S. INDEX NUMBERS					
PRICES RECEIVED.....	301	293	276	249	204
PRICES PAID, INTEREST AND TAXES..	251	251	234	202	173
RATIO OF PRICES RECEIVED TO PAID....	120	117	118	123	118

\* Ratio of N. C. prices received to U. S. paid.

\*\* Revised.

## PRICES RECEIVED BY NORTH CAROLINA FARMERS

For the third consecutive month, August grain prices continued to decrease. An average price of \$1.89 per bushel was received for corn during the middle of the month, 10 cents less than a month earlier. Wheat at \$2.21 dropped 6 cents. Soybeans at \$3.00 and cowpeas at \$5.40 during mid-August reflected sharp price breaks, dropping 35 and 60 cents per bushel, respectively.

Prices received for most meat animals rose sharply from July to August. Average prices received for hogs at \$26.70 and veal calves at \$25.30 per hundred weight broke

## PRICES RECEIVED (Continued)

all previous high records. Beef cattle at \$19.50 and lambs at \$23.80 per hundred weight remained unchanged from the all-time highs reached last month.

Dairy products showed little change during the month. Wholesale milk at \$5.60 was up 20 cents per hundred pounds while butterfat at 63 cents per pound was up 1 cent. Retail milk at 19.9 cents per quart was up slightly.

PRICES RECEIVED BY FARMERS AUGUST 15, 1948 WITH COMPARISONS

		NORTH CAROLINA		U. S.
COMMODITY	UNIT	JULY 15	AUG 15	AUG 15
		1948	1948	1948
- DOLLARS -				
TOBACCO 1/.....	LB.	-	.547	-
CORN.....	BU.	1.99	1.89	1.91
WHEAT.....	BU.	2.24	2.21	1.96
OATS.....	BU.	1.03	.97	.668
BARLEY.....	BU.	1.64	1.64	1.14
RYE.....	BU.	2.32	2.20	1.46
SOYBEANS.....	BU.	3.35	3.00	2.91
COWPEAS.....	BU.	6.00	5.40	4.71
PEANUTS.....	LB.	.109	.109	.104
COTTON.....	LB.	.333	.323	.304
COTTONSEED.....	TON	80.00	71.00	76.60
WOOL.....	LB.	.49	.48	.47
HOGS.....	CWT.	24.60	26.70	27.10
BEEF CATTLE.....	CWT.	19.50	19.50	24.40
VEAL CALVES.....	CWT.	24.90	25.30	26.60
SHEEP.....	CWT.	9.50	10.10	10.20
LAMBS.....	CWT.	23.80	23.80	24.80
CHICKEN.....	LB.	.31	.32	.325
EGGS.....	DOZ.	.503	.55	.492
MILK: WHOLESALE.....	CWT.	5.40	5.60	5.02
RETAIL.....	QT.	.198	.199	.190
BUTTER.....	LB.	.58	.58	.667
BUTTERFAT.....	LB.	.62	.63	.81
HAY, ALL LOOSE.....	TON	31.10	30.70	17.80
ALL BALED.....	TON	33.70	33.70	22.40
POTATOES.....	BU.	1.55	1.65	1.58
SWEET POTATOES.....	BU.	2.45	2.60	2.65
APPLES, COMM'L.....	BU.	1.95	1.70	2.22
PEACHES.....	BU.	2.85	2.90	-
PEARS.....	BU.	-	2.00	-
LESPEDEZA SEED.....	CWT.	14.20	14.80	12.70
KOREAN.....	CWT.	12.00	12.20	-
KOBE.....	CWT.	16.00	17.00	-
COM. & TENN 76...	CWT.	20.00	21.00	-
SERICEA.....	CWT.	22.00	22.00	-

1/ Type 13

## FEED PRICES DOWN

With the exception of tankage, prices paid for high protein and grain by-products feeds showed marked decreases from July to August. Bran averaged 50 cents per hundred weight lower than at mid-July while middlings dropped 45 cents. Laying mash and scratch feed declined 20 cents each. Corn meal and cottonseed meal dropped 10 cents per hundred. Mixed dairy feed at 16 percent protein and 18 percent protein were each off 10 cents.

FEED PRICES PAID BY FARMERS AUG 15, 1948 WITH COMPARISONS

FEED PER HUNDRED WEIGHT	NORTH CAROLINA		UNITED STATES	
	JULY 15 1948	AUG 15 1948	JULY 15 1948	AUG 15 1948
- DOLLARS -				
BRAN.....	4.35	3.85	3.79	3.06
MIDDINGS.....	4.65	4.20	4.26	3.36
CORN MEAL.....	5.70	5.60	4.94	4.74
COTTONSEED MEAL.....	4.65	4.55	5.08	4.72
MIXED DAIRY FEED:				
16% PROTEIN.....	4.30	4.20	4.35	4.00
18% PROTEIN.....	4.70	4.60	4.55	4.22
20% PROTEIN.....	4.80	4.65	4.64	4.29
LAYING MASH.....	5.70	5.50	5.34	4.94
SCRATCH FEED.....	5.40	5.20	5.08	4.72
TANKAGE.....	7.00	7.10	6.10	6.05

Hay supplies, estimated in July at 110 million tons, are about 7 percent smaller than last year, but are expected to be adequate for the fewer livestock on farms.



## UNITED STATES AGRICULTURAL PRICES

Lower crop prices dropped the index of prices received by farmers for agriculture commodities 3 percent during the month ended August 15 to 293 percent of its 1909-14 base.

At the same time, the index of prices paid, interest, and taxes remained unchanged at 251, the same as in January, June, and July.

The decline in the index of prices received by farmers, together with the unchanged index of prices paid by farmers including interest and taxes, resulted in a decline in the parity ratio (ratio of the index of prices received by farmers to the index of prices paid including interest and taxes) from 120 to 117, or 1 point below a year ago. This ratio is an approximate measure of the average relation which current prices received by farmers for their products have to their respective parity prices.

A number of the principal crops, including wheat, rice, corn, oats, barley, cotton and potatoes have declined for two consecutive months to reach levels lower than those of August a year ago. On the other hand, mid-August prices received by farmers for fruit and tobacco averaged above a month earlier. Prices of most meat animals declined or remained unchanged, but hogs provided a notable exception by moving up to a level exceeded only by September and October a year ago.

The steadiness of the index of prices paid, interest, and taxes at the level of the preceding 2 months results from offsetting changes. Sharp drops in prices of many feed items and smaller decreases in the clothing group were offset by increases in most of the other groups of commodities. Automotive equipment, building material, and operating supplies all were higher.

Of the several commodity groups for which the Bureau prepares indexes of prices received by farmers, the meat animal group, at 411 percent of its 1909-14 level stands highest, followed by tobacco, at 386, oil bearing crops at 310, and dairy products at 305. At the other extreme are the truck crop index at 172, fruit at 183, and the food grains at 227.

COMPARISON OF U.S. PRICES RECEIVED BY FARMERS AND PARITY PRICES\*

COMMODITY	PRICES RECEIVED BY FARMERS		PARITY OR COMPARABLE PRICES		ACTUAL PRICES AS PERCENTAGE OF PARITY	
	JULY 15 1948	AUG 15 1948	JULY 15 1948	AUG 15 1948	JULY 15 1948	AUG 15 1948
	- DOLLARS -	- DOLLARS -	- DOLLARS -	- DOLLARS -	- PERCENT -	- PERCENT -
COTTON, LB...	.330	.304	.311	.311	106	98
WHEAT, BU....	2.03	1.96	2.22	2.22	91	88
CORN, BU.....	2.02	1.91	1.61	1.61	125	119
OATS, BU.....	.866	.688	1.00	1.00	87	69
BARLEY, BU....	1.42	1.14	1.55	1.55	92	74
RYE, BU.....	1.72	1.46	1.81	1.81	95	81
BEEF CATTLE, CWT...	25.80	24.40	13.60	13.60	190	179
HOGS, CWT....	25.90	27.10	18.20	18.20	142	149
LAMBS, CWT...	26.20	24.80	14.80	14.80	177	-
CHICKENS, LB.	.319	.325	.286	.286	112	114
EGGS, DOZ.	.458	.492	.513	.54	89	91
MILK, (WHSLE), CWT...	4.86	5.02	3.74	3.94	130	127

\*Parity means a price for the farmer's product which will give it exchange value for things the farmer needs to buy equal to that in a specified base period, usually (1909-14).

Bumper feed crops being harvested and in prospect will not increase meat production for some time. Marketings of some cattle and hogs are likely to be delayed for extra fattening on the new crops. Main effect of a large corn crop this year will not be felt until late 1949, when next year's spring pig crop is marketed.

So far in 1948, farmers' income and expenses have been higher than in 1947. Indications are that production costs, on the average, have increased more than gross income.

## BROILER CHICK PLACEMENTS DOWN

During the month of August approximately 871,000 baby chicks were placed with commercial broiler producers in the Chatham and Wilkes Areas combined. Chick placements in the two areas compare with 1,202,000 placed during July, a decrease of 331,000 chicks or 28 percent.

Of the total broiler chicks placed in the two areas during August, 552,000 were placed in the Chatham Area and 319,000 in the Wilkes Area. During the previous month 832,000 were placed in the Chatham Area and 370,000 in the Wilkes Area. Placements in the Chatham Area during August of last year were 577,000, slightly more than during the same month of this year.

At the present time, the demand for broiler chicks exceeds the supply. This situation is expected to continue until more hatching eggs become available. Hence, it is likely that the scarcity of hatching eggs will hold placements at about the present level for a few more weeks.

## TOBACCO SALES TO DATE

Information released by the Production and Marketing Administration and the North Carolina Department of Agriculture shows that the average price of tobacco so far in 1948 exceeds 1947 for all types. The increase in the average price in 1948 over 1947 ranges from \$4.50 per hundred for Type 12 up to \$9.17 for Type 14. The increase in price in 1948 would probably be greater for comparable U. S. grades, since the quality of offerings so far this year is lower than last year. It is estimated that about 5 percent of sales of Type 13 tobacco have been delivered to the Stabilization Corporation. In the table below Type 14 includes Georgia-Florida; Type 13, South Carolina-Border North Carolina and Type 12 Eastern North Carolina.

TOBACCO GROSS SALES AND AVERAGE PRICE PER HUNDRED POUNDS FOR COMPARABLE DATES IN 1947 AND 1948, BY TYPES

TYPE	SALES THROUGH	POUNDS SOLD	AVERAGE PER 100 LBS.
14	8-26-47	167,424,205	\$37.93
	8-27-48	133,807,300	\$47.10
13	8-29-47	94,503,811	\$45.45
	8-31-48	166,428,700	\$52.91
12	8-25-47	6,534,961	\$45.32
	8-25-48	31,153,250	\$49.82

## U. S. APPLE PRODUCTION

Commercial apple production for 1948 is forecast at 100,445,000 bushels -- 11 percent less than the 1947 crop and 13 percent less than average.

Summer apples are indicated to total 5,411,000 bushels -- 26 percent less than the 1947 summer crop. California Gravenstein at 2,041,000 bushels account for 38 percent of the summer crop this year. Last year California Gravensteins turned out 4,211,000 bushels and were 57 percent of the United States summer crop.

Fall varieties at 14,214,000 bushels, comprise 14 percent of the 1948 commercial crop. Prospective 1948 production of the important fall apples and changes from last year are as follows; Jonathan 7,046,000 bushels, 16 percent less, Wealthy 2,330,000 bushels, 8 percent more; and Grimes Golden 2,186,000 bushels, 8 percent less.

Winter varieties are estimated at 80,820,000 bushels. This group accounts for 80 percent of the 1948 commercial crop. In 1947 winter apples totalled 90,193,000 bushels -- also 80 percent of all varieties. Delicious are indicated at 17,496,000 bushels -- 22 percent of the winter apple total and 27 percent of all commercial apples. In 1947 Delicious totalled 24,512,000 bushels -- 22 percent of the commercial total. The Western States have prospects for 14,356,000 bushels.



## FARM REPORT

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FARM REPORT

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### JULY HATCHINGS DECREASE

Commercial hatcheries in North Carolina hatched 2,616,000 chicks during July -- 31 percent less than June 1948, but 13 percent more than July last year. The demand for broiler chicks remained strong during July. If the normal seasonal trend is followed, hatchings will continue down reaching their low point in September or October.

During the first 7 months of 1948 chicks hatched by commercial hatcheries totaled 29.9 million as compared with 28.7 million during the same period last year. With the exception of January and February monthly hatchings during 1948 have exceeded 1947.

### REDUCED TURKEY CROP

Tar Heel farmers are raising 341,000 turkeys this year -- 10 percent less than last year. This is the smallest crop since 1944. The record turkey crop in North Carolina was produced in 1946.

Growers were reluctant to start poults this year because of the unfavorable 1947 season, when they were forced to market birds at prices below those of 1946 after having paid the steady spiraling feed prices during the growing season. The decrease this year would have been even greater except that toward the end of the hatchery season it became apparent to growers that conditions were becoming much more favorable for turkey production. Storage stocks were no longer burdensome and were being sharply reduced. Turkey prices were improving and prospective bumper grain crops indicated decreases in feed prices. These factors resulted in a June hatch in the U. S. 74 percent larger than a year earlier. Also, growers report a very favorable growing season and lower death losses.

### TURKEY CROP

(Continued from Col. 1)

The table below shows the trend in the number of turkeys raised on farms in North Carolina and the United States.

TURKEYS RAISED ON FARMS 1948  
WITH COMPARISONS, N. C. AND U. S.

YEARS	N. C.	U. S.
THOUSANDS		
AVERAGE		
1935-44	244	30,271
1940	239	34,047
1941	239	32,902
1942	268	32,805
1943	241	32,309
1944	289	35,616
1945	376	44,221
1946	421	40,724
1947 1/	379	35,105
1948 2/	341	31,710
1948 AS % OF 1947	90	90

1/ Revised

2/ Preliminary estimates as of  
August 1, 1948.

### LIVESTOCK AND MEAT SITUATION

Meat supplies during the remainder of 1948 are expected to continue moderately smaller than a year earlier. In the first half of the year, commercial production was around 7 percent less than in the same period of 1947; and in the second half, it may be down 10 percent from last year. Meat production is expected to decline seasonally and to reach the lowest level of the year in the late summer and early fall.

As meat supplies decrease prices of meat are expected to increase further. Demand for meat is stronger than a year earlier because of higher wages and other incomes. In early July retail meat prices generally were the highest of record.

Prices of hogs and of good choice fed cattle are expected to increase further this summer. Prices of grass-fat cattle and lambs will

### LIVESTOCK AND MEAT SITUATION

(Continued from Col. 2)

decline as marketings increase seasonally, but the decline will start from record high levels and will be smaller than usual.

Marketings of both fed and grass-fat cattle during the second half of 1948 are expected to be less than a year earlier. Fewer cattle are now on grain feed than at the same time last year, and slaughter of steers and heifers will be held down by the reduction in young stock that took place during 1947.

Total cattle numbers in North Carolina have been declining steadily since 1944, when they were estimated at 759,000 head. By January 1, 1948 they had fallen to 677,000 head, 11 percent less than 1944 and 10 percent less than 1945. The table below shows a comparison in the number of cattle by classes on farms in North Carolina and the United States. It will be noted that all classes of cattle decreased in number between 1945 and 1948.

CHANGES IN CATTLE NUMBERS IN  
NORTH CAROLINA AND THE UNITED  
STATES AS OF JANUARY 1, 1945  
AND 1948.

CLASSES OF CATTLE	N. C.	U. S.
THOUSANDS		
ALL CATTLE:		
1945	751	85,573
1948	677	78,564
% CHANGE	-10	-8.2
COWS AND HEIFERS AND HEIFER CALVES FOR MILK:		
1945	571	40,849
1948	528	37,335
% CHANGE	-7	-8.6
CATTLE NOT FOR MILK:		
1945	180	44,724
1948	149	41,229
% CHANGE	-17	-7.8

Number of Corn Belt cattle on feed is 12 percent smaller than a year ago ... is probably the second smallest on record.